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S/P - Mr. Nitze

Reaction to Proposed Aid under NSC 47/5 United States Policy toward the Arab States and Israel

1. Our telegrams from the Near East indicate that preliminary reaction to the "bold new policy" of economic and military aid to the Arab States and Israel, based on NSC 47/5 as approved by the President March 17, 1951, is anything but favorable. While in some instances it is admitted that the program is a step in the right direction, Arab officials are in general highly critical because Israel would receive the same amount (25 millions) as all the Arab States together. In addition, the Arabs look at the 50 million earmarked for refugee resettlement as simply a means to get Israel off the hook in regard to this problem.

2. To illustrate, the Egyptian Foreign Minister told Caffery he was "shocked" at the proposal for 25 millions for Israel and 25 millions for the Arabs; the Prime Minister and Foreign Minister of Jordan expressed "surprise and dismay", the Iraqi Foreign Minister took great exception to the "imbalance" in the projected appropriation and was "extraordinarily critical" of our policy of assistance to Israel; and the Syrian press regards the program with suspicion as designed to favor Israel or as an "apology" for our past "mistreatment" of the Arabs. The only feature that seems to be acceptable is that relating to arms aid, and even this is looked on with some skepticism as to the benefits the Arab States might gain in comparison with Israel.

3. British and French reaction in the field so far seems to be full approval by the British representatives and something less than that by the French. In Syria there are indications that the French are concerned over the possible conflict between our economic aid and established French banking and other interests. In Paris, the Foreign Office says it thinks the Arab States are not in a mood to accept

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156

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offers which might tie them too closely to the West, because their neutralist attitude is growing and they tend to adopt a "blackmailing" attitude in dealing with the Western Powers. The British Minister in Tel Aviv foreshadowed that our "area approach" would not be particularly welcome in Israel, and the press there has now expressed dissatisfaction at Israel's share of the aid and its potential effect on the 150 million aid to Israel bill.

4. I have no doubt that when the good things are ready to be served up on the platter, the Arabs as well as Israel will find a way to make use of their share regardless of the apportionment. No Arab Government would be able to take the risk of passing up aid of any kind, once the appropriations are actually in sight. But I think there are at least a couple of lessons and two or three warnings to be found in the disappointing reception with which the proposed implementation of NSC 47/5 has met:

a) There is no such thing as "impartiality" in the mind of the Arab when it comes to U.S. policy toward the Arab States and Israel. The original and fundamental bitterness in regard to our Israel policy remains the same and colors all Arab thinking. An "area approach" is too likely to stir up jealousies and may only boomerang in the long run.

b) Even the prospect of assistance running into millions of dollars is insufficient to purchase, at least at first blush, the high-sounding objective of NSC 47/5: "The U.S. should undertake and accelerate planned technical and economic assistance that will help convince the peoples of the Arab States and Israel that they will benefit as individuals as well as States, from the victory of the free world."

c) The willingness of the Arabs to accept the possibility of getting arms from us, as distinct from economic or social aid, should make us especially careful that we don't arm them for a war against Israel instead of to resist Communist aggression.

d) If

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d) If the disposition to look a prospective gift horse in the mouth should become generally known here, Congress would scarcely be enthusiastic about appropriating the money--at least for the Arabs. There is danger therefore that the whole program may fail of enactment unless a more appreciative attitude develops among the recipients.

e) While we can probably work successfully with the British in carrying out plans for the area, we must be on our guard that the French won't try to undermine the project somewhere along the line.

f) We should probably embark on an information campaign, at the appropriate time, to explain the motives of our assistance. In general, the cool attitude displayed by the Arabs reflects what I think is a basic characteristic: suspicion of anyone who offers them anything for free. They don't really understand how or why they should be offered economic aid--there must be some strings attached somewhere. The distrust in this instance jumps quickly to the question of Israel and what Israel is getting out of it. From here on out, I think we should be particularly careful to see that the aid we dish out is going to produce the expected returns.

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